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PLANNING MANAGEMENT DEVELOPMENT IN INDUSTRIALIZING COUNTRIES

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PLANNING MANAGEMENT DEVELOPMENT IN INDUSTRIALIZING COUNTRIES

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1. The whole process of rapid industrialization of a country can succeed only when and if there are adequate numbers of effective managers to manage that industrialization. The prime requirement of every effective plan from the national level down to the individual corporate level is for able professional managers who are trained to analyze complex economic, social, and political situations; to make decisions; and to follow them up. Lack of the required numbers and quality of managerial talent is, in most cases, the prime cause of failure or retardation of a plan of development. Moreover, expatriate talent at the managerial level is a temporary solution at best.

2. It is the thesis of this paper that such indigenous management development must be planned, that it must largely be based on indigenous institutions, and that help and support given by more advanced industrial countries must be carefully integrated into a total plan or it may be actually more harmful than helpful.

3. There is a case for unplanned management development just as there is for unplanned leadership development in other areas, but the unplanned case is a poor one and can be disastrous to a country seeking development. The two major reasons for this have been mentioned elsewhere.[1] First, unplanned methods will not produce the numbers required. Second, there is strong evidence that old methods and old mistakes inappropriate to rapid development are perpetuated and become more firmly entrenched if new approaches and new ideas are not interjected. A third reason, however, has not been stressed. It is that the opportunities of a rapidly developing society often create inappropriate styles of business leadership. The quick gain available to the ready few would be less possible if there were available and ready large numbers of well-trained managers, competitive and willing to compete, and, hence, less open to temptation. A case can be made that public dismay and disillusionment with the performance of a public sector or private sector management can often be traced to the overwhelming opportunity for wealth available to the few who are prepared to manage and the absence of reasonable numbers from which to select leadership.

4. The difficulties of constructing several patterns of planned management development are many. Precisely because new patterns of human activity must be quickly established, there is often a conflict with existing patterns of culture and social norms. This is true to a much greater extent in the management development case than if technical skills alone were involved. For example, the entrepreneurial function may not be a fully acceptable pattern or may be reserved to certain groups only. Again, a long-established practice of administration that calls for methodological

[1] See, for example, Myers, Charles A., and Harbison, Frederick, Management in the Industrial World, McGraw-Hill Book Co., Inc., New York (1959)

but unimaginative applications of routines may inhibit broader vision and action. Another illustration may lie in those situations where the selection of individuals for business leadership roles is done on a narrow or highly restrictive basis. Most of all, a long-established narrow concept of organization may restrict decision-making of any import to the very top to the frequent accompaniment of apathy and non-involvement below. In short, to discuss management style and its development apart from dealing with the environment is not to deal with the management development problem at all.

5. It is this linkage between management environment that confronts us in the proposition that all or a major part of managerial training can be done in foreign institutions. It will be argued here that it is dangerous to rely primarily on such outside development. This is not to say that an important contribution cannot be made by foreign training placement. It can, of course, and has, in two important ways. First, foreign training placements can be used as they have for many years, to provide basic training for outstanding young men. It is estimated that the foreign student enrollment in the leading American business schools ranges from 8 to 15 per cent. The problem of the young man's return or "re-entry," however, is not uncommon. Often after a lengthy period, let us say 2 to 5 years, the man may have accepted the assumptions of a foreign environment so completely that he is unable or unwilling to make the translation to his own ground. At the superficial level, this may be only a case of vocabulary and form as, for example, the young man who returned to his own country after two years of advanced economic training. He gave a lecture on development economics to a group of senior civil servants, frequently using the terms "input" and "output." After the lecture, one senior civil servant asked a colleague, "What are these 'in and out things,' and where should we put them?", and promptly dismissed the possibility of communicating with the young man. But such vocabulary superficialities, vexing as they may be, are not as serious as the acceptance of new assumptions and relationships within the society that may not be present in the home ground. The well-organized education in management in a foreign environment can be helpful in avoiding these problems if the following conditions are met:

(a) Careful selection of the man

(b) Effective placement in a sufficiently demanding institution

(c) Continued contact with the home environment

(d) Placement and follow-up on the man's progress upon his return.

These conditions can be more effectively met if there are dynamic vehicles for training and education in the man's own country.

6. I turn now, however, to the second important contribution to be made by foreign training. It is in building awareness and stimulating thought along new lines among more experienced managers. This has been a successful pattern in the past. I would argue, however, that substantial improvement and effectiveness of these experiences can be achieved by organizing a program of study and application rather than merely visit or tour. In short, education takes place here as elsewhere only when a vigorous confrontation of ideas takes place, and this may not be possible in passive observation. Under the general heading of stimulation, I will include short courses in foreign countries, the foreign study tours, and the special task forces of various kinds.

7. I have sketched the two major avenues of foreign training. I have argued that while useful, these avenues are inadequate for meeting the total management needs of their countries largely because the home environment is not taken well enough into account, and even where it can be, the numbers potentially trainable in foreign situations will become increasingly inadequate to meet the needs envisioned. In short, this valuable foreign training vehicle must be well used as an ancillary vehicle

rather than the principal base for planned management development. How, then, should the outside resource contribute to the development of managers? Essentially the outside source should serve as a consultant or specialized resource and always as a part of an over-all plan in which the basic administration of the program is the responsibility of the country involved. The involvement of personnel from outside the country will probably be critical to the success of a total development plan, but the requirement must always be that these personnel are fully qualified. Second-rate talent, either because of lacking technical or psychological qualifications simply will not be able to make the contribution required. This raises a major problem, of course, for the contributing country. The problem of attracting high-grade foreign talent to help in the development of local institutions and individuals is the most severe restriction facing the developing country. If it can be solved, the several problems of developing institutional arrangements within the country are open to solution. Possible areas of collaboration are described below.

8. Planning for Institutional Development. Important participation in the planning process for developing managers may come from university sources, from government, and from private industry. It is probable that separate operations and their arrangements by each of these sectors of the life of a country can contribute in their own special ways. Of principal importance is the real interest of the top policy makers in each of these sectors in the education of managers. Lack of interest or a superficial concern at the top in this or other aspects of planning in general are sure retardants to the effectiveness of the program. To this planning function, the assistance of foreign educators, businessmen, and administrators can be useful. In analyzing the need for education and training, special contributions can be made, for example, in the following general areas.

9. The Levels of Education and Training Required. There are at least three age levels of development that may be appropriately considered in the design of a program for educating management. The first level of business education may be described as the preparation of the group of men and women who are entering the world of administration for the first time. These are young people in their late teens and early twenties who need a solid preparation in one broad field: The arts, engineering, science, and who need, in addition, a reasonable understanding of economics, psychology, mathematical analysis, and the inter-mix of business fields - finance, marketing, and production. Note that I am not talking about the preparation of clerks, routine analysts, bookkeepers, and other office personnel. Presumably, these occupations will continue to require personnel in the realm of administration. But the present avenues of preparation for these fields are already over-expanded in most less developed countries and only rarely does this preparation aid substantially in preparing managers who can create and guide new and growing institutions. Note also that I would tend to omit from the curriculum of these entrants to administration detail in such important specialties as methods improvement and salesmanship. There is a growing feeling in the United States that these specializations and details are better left to practice and early training in business itself. The problem, then, at the entrant stage, is to prepare these men to think soundly about complex business problems. This implies also that persons selected for this education are well chosen - that they are bright, are well motivated, and demonstrate an interest in leadership.

10. In connection with this entire program of primary education in management is a question of what institution should be responsible for this educational function. The appropriate answer is the university, providing the university is willing to produce a level of professional education which at its best can be likened to other professional schools in the university such as law and medicine. If this is not possible, other institutions for business and management education will have to be improvised. In any case, the active involvement of foreign consultants, not as directors, but as advisors

and participants, can be useful. A direct link with a foreign group can be exceedingly helpful as a continuous vehicle for interchange of ideas and personnel.

11. The second level of this administrative education can be termed the middle management level. There are several goals to be accomplished in this category. We are concerned here typically with advancing the man whose early training prepared him for a specialty, who by experience and accomplishment has expanded his scope of operations, and who has become a manager in name if not in fact. He needs basic help in broadening his base of understanding. Often he was trained originally as an engineer, yet now his decisions are primarily market and finance based. Again, he may be the small operator whose success now finds him with fifty or more employees. His effectiveness is now judged, not in terms of his individual craftsmanship or ability to work, but on his ability to manage. Finally, there is the man who needs to be brought up to date in new fields and old, and who needs the stimulation of ideas of others. For all these reasons, after-hours courses or clinics, short courses, and conceivably longer ones, are valuable. In a way, these types of courses offer the most immediate pay-off, because progress made by the individual is immediately translated into practice. No one institution is singularly equipped here. University and government sponsorship has proven effective, and so have management associations and individual company schools. In all cases, the full involvement of foreign teachers and advisors is useful. It is a lamentable fact, but fact none the less, that at these levels, the visiting consultant is often given greater credence and greater authority than is a local expert. A combination of faculty members, with the end in view always to grow out of the reliance on foreign faculty, is probably a reasonable goal.

12. The final level that involves still other dimensions of need and response is the advanced management or policy level course. Here the goal is to deal at the highest possible level of organization, and in developing the modern management approach of these already proven men, to have an influence directly on the shape of delegation and command within organizations. All of the previous purposes of proving training opportunities for other levels are present here also, but the goal of changing attitudes toward styles of administrative organization gives this level of program special importance in developing countries. The program format can vary from the long weekend to six weeks' residence programs. Here, especially, competent faculty, acceptable to the participants, is a requirement. For this reason, there is some advantage to using a foreign faculty, providing the over-all framework of the program is seen as an indigenous one and providing once again the direction is one of transference to local institutions. Symbolically, as well as functionally, such a program can be among the most important of the management development efforts of a country. It permits highly placed and highly competent administrators, both public and private, to get together in serious efforts at self-improvement. It encourages directly the development of whole organizations because it deals with the top, a requirement of any further improvement.

13. Methods. This is no place for a complete discussion of the most appropriate methodology in management development except to stress that the methods used must be not only effective pedagogically in the foreign country from which they are taken, but must be adaptable and congruent with styles and terminology in the developing country. Indeed, research in teaching methods and materials should be a prime requirement in the developing institution. The wholesale adoption of materials from other countries produces a kind of barren dialogue that may actually deter creative thinking. There is great opportunity here for innovation in teaching and learning methods. Many new ideas can come from without, given appropriate assistance, but the emphasis should be on local involvement and local responsibility.

14. Standards. There is need to stress in this field perhaps more than most, the need for enforcing standards of faculty selection, student selection, and performance

reviews of both. Commerce schools have a distressing habit of placing last in the list as a talent magnet for young students and, indeed, for faculty. Part of the answer lies in the spectrum of needs served by such schools, and that is all well and good. But at the management end of the spectrum, special care must be taken to enforce high standards. For this reason, tests for admission, and a critical weeding out of the unfit is a probable requirement in a new institution. At the teaching level, faculty members must meet qualification requirements for both business and academics.

15. Here again, the involvement of assistance from outside the country can be appropriate. Long-term assistance in this problem seems useful, since the question of raising standards involves the development of a faculty discussed below.

16. The Development of Faculties. The heart of any academic institution is its faculty, and yet an "Operations Bootstrap" is difficult to achieve on the part of a new institution by itself. Younger faculty members, chosen and developed by older fixed faculty, are seldom likely to go beyond the bounds of their masters. A multi-university system has advantages in this sense in discouraging inbreeding. Since such a system is probably not feasible in a developing country, it is here that the relationship between foreign country resources and the developing country may be closest. With places for students at a premium, it seems reasonable to put a high priority for advanced education in foreign countries on the faculty members of the developing country. These men will multiply their effect in the affairs of their own country beyond that of any single group. Ideally, situations should be developed where there is a frequent contact between the professor - student and a base in the foreign country. Over the years a sense of identification with a foreign base and a concern for their advanced students' progress on the part of a foreign faculty promises added advantage. The sense of these contacts should always be study-oriented and need not always be confined to the foreign university itself. Rather, the foreign university can be the base from which project travel and study can be arranged and coordinated. I would argue that such a work centered and long-term relationship offers the best opportunity for strong leverage in the development process.

17. Creating a Market for Graduates. One of the problems that cannot be overlooked in the design of a professional school is the problem of the placement of its graduates. The common situation often found in transitional countries is that of large numbers of educated unemployed, often in the midst of shortages of many key personnel. The problem here is a lack of contact of the supplying institution with the market or lack of information on the part of students, employers, or both. In part, the answer lies in more effective selection of the students initially and a more effective curriculum. In part, also, it will be necessary to create new habits of selection on the part of employers and a new willingness on the part of students to go where the work is available. All of these situations will require thought and planning, and outside institutional help can be helpful in providing experience and guidance.

Two Cases of Cooperative Effort in Management Development

18. I would like to describe two different kinds of cooperative effort in the development of management in developing countries. Neither is presented as a model. In fact, it will be seen that both could have been more effective. None the less, the over-all effort was one of fitting the design of the program to the objectives and needs of the countries in question, and as such may be instructive to others. The first is an effort at management development in India, the second in several countries in Africa.

19. In India, a great deal of attention has been given to problems of developing management. One aspect of the development has been the concern for advanced management programs at the very senior and policy levels of management. This is a difficult problem in any country, and in a developing one, it bids fair to defy solution. Lack

of time and interest of top people in organizations, unavailability of appropriate faculty, and lack of appropriate sponsorship are especially difficult in such situations. In 1959, the All India Management Association, with active cooperation from government agencies, entered discussions with the Ford Foundation and with M.I.T. to develop such an advanced management program. The participation of M.I.T.'s School of Industrial Management was arranged, and a series of meetings to design the curriculum and other aspects of the program format were begun. In 1960, the first of such short programs took place, involving 30 top Indian executives from both the public and private sectors, and 6 senior faculty members organized by M.I.T. for a 4-week period. The selection of executive participants was made by a Management Association committee with the aid of local management associations. Speakers and guests were invited by the Association. The curriculum included intensive discussions on business economics, corporate finance, business economic environment, human resources use, labor management relations and management organization. Discussions, cases, readings, and individual conferences were methods employed, but the prime quality of these sessions were the close relationships which developed among the participants and faculty members. Sessions of the program were continued in 1961 and 1962 for new groups of executives. In each case, great interest and enthusiasm were exhibited by both participants and faculty members. At the conclusion of these later programs, reunion conferences were held with the past participants in the program. A substantial number, over two thirds of the participants, attended these conferences, coming from all over India for the 3-day meetings. Evaluation of these reunion sessions indicates that the participants have made use of the ideas and concepts developed in the programs to a surprising degree. In the last session, two members of the faculty were Indians, and it is expected that the program faculty will be organized by an Indian institution within the next two years. This latter point demonstrates one of the problems involved in such a program - the transition from a foreign to a local country staff. In this case, the two new institutes of management developing in Calcutta and Ahmedabad represent obvious and appropriate channels for continuing this advanced management program.

20. In summary, this program is accomplishing the purposes of the advanced management program as described earlier. It was developed under the sponsorship of a local agency, it utilized the services and talents of a foreign institution, and steps are being taken to translate the staff to local organizations and sponsorship.

21. The second case involves the placement and employment of several highly trained younger specialists in economic development posts in Africa over the past three years. Here an M.I.T. professor, Carroll L. Wilson, explored the need for such young talent at the assistant secretary level with the new governments of several newly independent African countries. As a result, in 1960, eight young men under the sponsorship of the M.I.T. School of Industrial Management, with engineering and industrial education and experience, were placed in posts in ministries of finance, economic development and planning, commerce, and others. Each man was employed by his new government for a two-year period, with responsibilities, in addition to the other duties, of developing African replacements. In 1961 and 1962 larger groups of men were individually employed and placed by the same and other governments. At the present time, 26 men have served 8 countries for substantial periods of time. The evaluation of this program by its observers and the employers involved is that the young men have served remarkably in this period of transition. Their involvement in the governments in the countries has been substantial, important tasks have been delegated to them, and their performance has been judged outstanding. The work they have carried on and the acceptance they have received are interesting, but not the subject of this paper. For our purposes, the program demonstrates the key requirement of local sponsorship, close coordination and cooperation between the foreign agency and the local government, selection of highly qualified men and their careful placement, close supervision but major delegation of responsibility, and concern for the transition of the program to total African participation.

CONCLUSIONS

22. This paper has examined certain aspects of the problem of management development in industrializing countries. I have presented the case for planned development and have questioned the adequacy of solving this problem by reliance on foreign placement alone. The task of creating adequate local institutional framework for development is a formidable one. I have been especially concerned with the relationships between foreign agencies and those of the developing country. Although no standard solution is available for any situation, I have stated as principles the following:

a. The local program should be concerned with the development of several levels of management.

b. There is room and need for participation from universities and the private sector as well as government.

c. Attention must be given to the problem of the market for managers, both junior and senior.

d. All programs should have local sponsorship.

e. Foreign personnel participating in the programs must be of first-rate competence.

f. Early consideration must be given to the problem of process of transition from foreign faculties to the local faculty.

g. Long-term ties between a foreign educational base may well serve the objectives of the developing local institution.

23. Finally, it seems to me, that the newly developing countries must be expected to make a creative contribution to the developing science of management. There is an urgent need for new theory and practice in the field of management, and it is confining to assume that we face only the problem of transferring existing knowledge from one society to another. Indeed, we have to expect that the situations posed by rapid development offer outstanding opportunities for innovation not found in already industrialized countries. We need the creativity implicit in the challenges of the new societies in this field as well as in others.

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